

What is a Section 3 Business?

Legal Definition:

Section 3 Business-A business entity formed in accordance with State law, and which is licensed under State, county, or municipal law to engage in the type of business activity for which it was formed **and**: A business that is 51 percent or more owned by Section 3 resident(s); **or** whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents who reside in the City of Long Beach or Signal Hill, **or** within three years of the date of first employment with the business concern were Section 3 residents; **or** a business that provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the ownership or employment qualifications of a Section 3 business (as discussed above).

Your Business is a Section 3 Business if...

Your business was formed in accordance with State law, and licensed to engage in the type of business activity for which it was formed.

AND You can answer yes to **ONE** of the following questions:

- ✓ Is 51% of the Business owned by Section 3 Resident(s)?
OR
- ✓ Are 30% of the permanent, full-time employees currently Section 3 Residents who reside in the City of Long Beach or Signal Hill?
OR
- ✓ Were 30% of the permanent, full-time employees, within 3 years of the date of first employment, Section 3 Residents who reside in the City of Long Beach or Signal Hill?
OR
- ✓ Can you provide evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to a Section 3 business that meets the ownership or employment qualifications? (As explained above).
OR
- ✓ Can you provide evidence of a commitment to hire Section 3 residents, such that they compose at least 30% of all new hires? (As defined by the most updated HUD income requirements, see chart on the reverse side of this sheet).

For a definition of a Section 3 Resident, please see the reverse side. For more information about Section 3 Requirements Contact:

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What is a Section 3 Resident?

SECTION 3 RESIDENT

A Section 3 Extreme Low/Very Low/Low Income Person:

A Section 3 low-income person resides in the metropolitan area (city), where the Section 3 covered assistance is expended (City of Long Beach and Signal Hill), and whose household income does not exceed 80 percent of the median income for the area. A Section 3 very low-income person is the same as above with the exception that the household income does not exceed 50 percent of the median income for the area. Please see chart below.

Section 3 Residents Income Restrictions

Family size	<u>Extreme Low</u> (0-30% of Median)	<u>Very Low</u> (30%-50% of Median)	<u>Low</u> (50%-80% of Median)
1	\$14,550	\$24,250	\$38,800
2	\$16,650	\$27,700	\$44,350
3	\$18,700	\$31,200	\$49,900
4	\$20,800	\$34,650	\$55,450
5	\$22,450	\$37,400	\$59,900
6	\$24,150	\$40,200	\$64,300
7	\$25,800	\$42,950	\$68,750
8	\$27,450	\$45,750	\$73,200

Los Angeles-Long Beach Area Mean Family Income = \$56,200*

(If your salary is currently or was, within the past three years, within these income levels you STILL qualify as a Section 3 Resident).

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If you would like more information about construction opportunities for Section 3 Residents please contact:

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*Numbers are based on HUD FY 2006 Income Limits effective March 8, 2006.